

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

PUBLIC SERVICES – Treasuries and Accounts Department – Fraudulent drawal of Military pensions on fake Pension Payment Orders by imposters in eight Districts viz. Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts - Criminal Proceedings and Departmental Proceedings initiated against Sri Kamal Kishore Pancharya, the then Senior Accountant and now working as STO, District Treasury, Guntur - Charges proved in the inquiry and Convicted in the Criminal Proceedings – Imposition of a punishment of Dismissal from Service under Rule 9(x) of A.P.C.S. (CC&A) Rules, 1991 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Ms.No.150

Dated:16-07-2011

Read the following:-

1. Regional Joint Director-II, Cuddapah Charge Memo. Rc.No.A1/2546/99-5, dt.24.7.1999.
2. Explanation of Sri Kamal Kishore Pancharya STO, District Treasury, Guntur, dt.06-09-1999.
3. G.O.Rt.No.1079, Finance (Admn.I) Department, dt.19-06-2000.
4. Enquiry Report of Sri D.Tavudu, Joint Director of T&A, Region-I, Visakhapatnam, dt. 22-12-2000.
5. Govt. Memo.No.13529-B/127/A2/Admn.I/2001-4, dt. 23-12-2003
6. Explanation of Sri Kamal Kishore Pancharya, Senior Accountant, District Treasury, Guntur, dt.25-02-2004.
7. G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006.
8. Judgement dt.21-04-2011 of the Court of Special Judge for SPE & ACB Cases, Vijayawada (copy enclosed).
9. DTA Lr.No. K(I)4/16397/99, dated 25-05-2011.

ORDER:

The fake Pension Payment Orders under Military pensions were received by the Treasury Department in Visakhapatnam, Guntur, Cuddapah, Adilabad, Nizamabad, Medak, Nalgonda and Mahaboobnagar Districts and an amount of Rs.37,18,910/- was fraudulently drawn by the bogus military pensioners.

2. The Chief Controller of Defence Accounts [Pensions], Allahabad has issued various instructions for verification of the PPOs issued by them. DTA also reiterated and issued instructions from time to time. According to the instructions, the following verification is essential for Pension Payment Orders.

1. Whether the PPO is received by the payment authority through authorized channel i.e., ensuing effective check of the postal seal embossed on the envelopes in order to ascertain the name of station from where it was posted.
2. Ensure that the PPO is issued by the Pension Sanctioning Authority.
3. Fake PPOs were marked 'Pension Certificate Copy' on the top instead of "ORIGINAL" [PDA Copy]
4. The signature should be ink signed not in rubber stamp.
5. The specimen signatures should be tallied with the specimen Signatures circulated by the CCDA [P], Allahabad.
6. Whether the Rubber stamp of the Officer concerned with his name and code number is affixed on the PPO.
7. It should be confirmed that the PPO forms were generated on Computer. The fake PPOs were in different forms.
8. The PPO is marked debit 'CIVIL ESTIMATES'
9. It should be confirmed that the PPOs are bearing uncolored seal [Embossed].
10. It should be verified that the imprint of the uncolored seal is matching with the specimen circulated by the CCDA [P].
11. The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners drawing pensions in the same treasury, who introduce the new defence pensioner
12. The PPOs should be dispatched through local delivery/post, but not handed over to the pensioners.
13. Check the PPO and details mentioned therein with the list of PPO received from PPO issuing authority. In case of doubt it should be verified with the CCDA [P] either through written communication or fax/telephone.
14. Payment shall be authorized only when Treasury Officer is personally satisfied that pensioner is genuine.

3. The following (3) Fake PPOs were received in the District Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt
1.	S/012655/98	Sri Ashok Singh	14-09-1998
2.	S/012647/98	Sri Ganga Ram	12-10-1998
3.	S/012692/98	Sri Jainath	12-10-1998

The following District Treasury personnel were allegedly responsible for forwarding the fake PPOs to the Headquarter Sub-Treasury, Guntur without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad for arranging payment:

1. **Sri T.D.Jaya Prasad, District Treasury Officer, Guntur.**
2. **Sri A.Ameer Basha, Sub-Treasury Officer, District Treasury, Guntur.**
3. **Sri E.Veeraiah, Sub-Treasury Officer I/c, District Treasury, Guntur.**
4. **Sri Kamal Kishore Pancharya, Senior Accountant, Guntur.**

The following Sub-Treasury Personnel have processed and passed for payment of Pension on fake PPOs without following the instructions of the Chief Controller of Defence Accounts [Pensions], Allahabad.

1. Sri K.Satya Murthy, Sub Treasury Officer, Sub-Treasury, Guntur.
2. Sri M.Venkateswarlu, Senior Accountant, Sub-Treasury, Guntur.
3. Sri A.Mohana Rao, Shroff, Sub-Treasury, Guntur.

Sl.No.	Fake PPO NO.	Name of the Pensioner	Date of receipt	Amount of Pension paid
1.	S/012655/98	Sri Ashok Singh	14-09-1998	Rs.1,51,190
2.	S/012647/98	Sri Ganga Ram	12-10-1998	Rs.2,01,445
3.	S/012692/98	Sri Jainath	12-10-1998	Rs.1,46,664
Total				Rs.4,99,299

4. The following lapses were observed on the part of the Treasury employees:
 - Not followed the clear instructions of the CCDA/DTA while verifying the documents submitted by the Bogus Military pensioners.
 - Some of the PPOs were processed in no time i.e. within a day or two.
 - Basic verifications such as tallying the signatures of the authorized officers of Defence along with emblems and official paper used by the CCDA office were not done.
 - The PPOs filled by using a type writer instead of computer were also accepted. The fake PPOs were in different forms.
 - The District Sainik Welfare Officer has to identify the new pensioners and two old defence pensioners who introduce the new defence pensioner. It was not followed in these cases.
 - New pensioners were introduced to the Banks by the treasury persons for opening of an Account which was against the instructions prescribed.
 - The descriptive rolls of fake pensioners showed that a group of persons submitted these fake documents to different District Treasuries and same persons were found to have submitted claims in different names. The

misappropriations were committed with ease and the manner in which the cases were proceeded give rise to the suspicion that persons who were aware of the procedures both in CCDA office and District Treasury/Sub-treasuries colluded with the accused.

- For the lapses of non-verification of fake PPOs as per the procedure, the embezzlement took place.

5. Hence, Departmental Proceedings were initiated against the Treasury employees, who have not followed the guidelines issued by the Chief Controller of Defence Accounts [Pensions], Allahabad. The following articles of charge have been framed against Sri Kamal Kishore Pancharya, the then Senior Accountant and now working as STO, District Treasury, Guntur.

Article-I:

That the Sri Kamal Kishore Pancharya, the then Senior Accountant and now working as STO, District Treasury, Guntur while functioning as Senior Accountant, District Treasury, Guntur during the period 1998 has failed to identify the faked PPOs received in his office with reference to the detailed ORS/TECH/FAKE/334, dt. 19-10-1994 and 2-12-1996 and he has forwarded the bogus PPOs to the Sub-Treasury Officer and caused a loss of Rs.4,99,299/- under Military Pensions on the payment made to Sri Ashok Singh, Sri Ganga Ram and Sri Jainath faked pensioners.

6. The Charged Officer, Sri Kamal Kishore Pancharya, the then Senior Accountant and now working as STO, District Treasury, Guntur, in his defence statement has stated that he was not aware of the instructions issued by the Chief Controller of Defence Accounts [Pensions], Allahabad from time to time and verified the photos, Descriptive Rolls and Specimen Signature available in the Descriptive Rolls and processed the PPOs basing on the information given by his predecessor from time to time and stated that he could not detect them as Bogus and speed up them with intention to arrange payment to Pensioner as early as possible. He has also stated that by the time of taking over the charge of the seat of M.P.P. Section, no stock files were handed over to him by his predecessor and they are not available in his seat. He has further stated that the Sub-Treasury Officer, Guntur is responsible for fraudulent payments as the Sub-Treasury is a place of payment. He requested to exonerate him since he processed the file without any malafied intention to defraud the Government money.

7. In the G.O. 3rd read above, Government have appointed Sri D.Tavudu, the then Joint Director T&A, Region-I, Visakhapatnam and now Additional Director (Retd.) as Inquiry Officer to conduct regular inquiry under Rule 20 of A.P.C.S. (CC&A) Rules, 1991 into the charges framed against all the treasury employees involved in this case. The Inquiry Officer submitted his report on 22-12-2000. In his report, the Inquiry Officer observed that the Charged Officer stated that his predecessor have not left any Stock Files or instructions issued by C.C.D.A.(P), Allahabad. As such, he is not aware of the need of the verification of specimen signatures. As the said PPOs were received in his seat

through official transmission system, he could not suspect the bonafides. Further, while forwarding the PPOs, specific instructions were issued to the STO, Guntur essentially to be kept in view at the time making payment by Pension Disbursing Officer. This argument of the Charged Officer is not in accordance with the procedure and found to be not satisfying the existing procedure in vogue. It is the primary responsibility of Senior Accountant dealing with the subject to have equipped with rules, instructions and changed procedures from time to time even at the forwarding place i.e. District Treasury Office. So he cannot escape from his responsibility by throwing the entire blame on the Pension Disbursing Authority (Sub-Treasury, Guntur). Hence, the Charges are proved.

8. Further, Criminal cases were also filed in the respective Districts. The CB CID has investigated the cases. The investigation report of the CID reveals that the Treasury Staff have intentionally evaded and failed to follow the guidelines and procedure issued in Circular No.K1/5026/728, dated 17-02-79 of Director of Treasuries and Accounts of A.P., Hyderabad and Circular No. AT/TECH/FAKE/334 Volume-I, dated 08-12-93, 08-09-94, 19-10-94 and 2-12-96 issued by Chief Controller of Defence (Pensions) Allahabad circulated to all DTOs and STOs by the Director of Treasuries and Accounts to A.P., Hyderabad and conspired with accused Parsinath Singh @ Arun Singh and his associates in sanctioning military pensions on the fake pension payment orders. The CID has filed charge sheets in the competent courts of jurisdiction against the accused Treasury employees besides the imposters who had drawn the Government money. Government accorded sanction for prosecution of the following Treasury personnel of Guntur District vide G.O.Rt.No.1517, Finance (Admn.I.Vig.) Department, dt.06-04-2006. The CID filed Charge Sheet in the Court of Spl. Judge for SPE & ACB Cases, Vijayawada in C.C.No.24/07 in Cr.No.115/2001 of Arundalpet, P.S.,Guntur against the following:-

1. Kamal Kishore Pancharya, Senior Accountant.
2. Shaik Ameer Basha, STO (Retd.)
3. Edara Veeraiah, STO (Retd.)
4. Kondamuchi Satya Murthy, STO (Retd.)
5. Mandapu Venkateswarlu, Sr.Accountant
6. Ala Mohan Rao, Shroff.

9. In respect of the criminal case filed by the Dy. SP., CID RCIU, Vijayawada against the Treasury personnel of the Guntur District concerned, the Court of the Spl. Judge for SPE & ACB cases, Vijayawada has pronounced its judgment on 21-04-2011 in C.C.No.24 of 2007. **The Accused Officer-4 Kamal Kishore Pancharya, Senior Accountant, was found guilty for the offences punishable under Section 120-B IPC, Section 109 IPC and r/w 419 IPC, Section 109 IPC r/w 468 IPC, Section 471 IPC, Section 409 IPC, Section 13 (1) (C) r/w 13 (2) of Prevention of Corruption Act, 1988 and Section 13 (1) (d) r/w 13 (2) of PC Act, 1988 and was convicted under Section 248 (2) of Cr.PC and sentenced to undergo Rigorous Imprisonment for a period of one year for each offence under the above sections and also to pay a fine of**

Rs.1,000/- in default to suffer simple Imprisonment for three months each for the offence punishable. All the sentences shall run concurrently.

10. According to Rule 9 (x) of A.P.C.S. (CC&A) Rules, 1991 “**dismissal from service which shall be ordinarily be a disqualification for future employment under the Government. Provided that in all proved cases of misappropriation, bribery, bigamy, corruption, moral turpitude, forgery and outraging modesty of women, the penalty of dismissal from service shall be imposed**”. Further, consultation with Andhra Pradesh Public Service Commission is not necessary, when the Government servant is found guilty in any judicial proceedings as per G.O.Ms.No.204, G.A. (Ser.A) Department, dated 13-06-2000.

11. Government, after careful consideration of the matter and keeping in view the judgment of the Court of Spl. Judge for SPE & ACB cases, Vijayawada in CC No.24/2007, hereby impose a **penalty of dismissal from service on Sri Kamal Kishore Pancharya, the then Senior Accountant and now working as STO, District Treasury, Guntur under Rule 9 (x) of A.P.C.S. (CCA) Rules, 1991 as he was found guilty and convicted under Section 13 (1) (C) r/w 13 (2) and Section 13 (1) (d) r/w 13 (2) of Prevention of Corruption Act, 1988.**

12. The Director of Treasuries and Accounts shall take necessary further action in the matter and report compliance.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**RANJEEV R.ACHARYA
PRL.SECRETARY TO GOVERNMENT (FP)**

To

The individual through the Director of Treasuries and Accounts, A.P., Hyderabad.

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to:

The Secretary, A.P. Vigilance Commission, Secretariat, Hyderabad.

The Addl. DGP, CID, Hyderabad.

The Deputy Director, District Treasury, Guntur.

:: FORWARDED BY ORDER::

SECTION OFFICER